

Microsoft Corp. (MSFT)

Nasdaq; business equipment; SIC 7372, Services-Prepackaged Software; CIK 0000789019

Microsoft Corp. MSFT; business equipment	
Grade	A A B C D E strongest fifth of 497 graded peers percentile 8.7; sampling error 2.2 points; lower is stronger
Rank	44 of 497
Profitability	B percentile 28.5
Solvency	B percentile 30.5
Growth and financing	B percentile 36.3
Reliability	0.94 AUC filers with over \$2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025
Peer failure rate	0.52% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	over \$2.67B assets total assets \$758.4B
Standard universe	inside revenue above \$1M and assets above \$10M
Warnings	none active
Inputs computable	13 of 14
Graded from	filings received through Jul 29, 2026 72 days before the rescans; latest periodic filing 10-K received Jul 29, 2026
Last close	\$522.71 2026-10-08; market equity \$3.9T
Price used in grade	None



A, the bull

strongest fifth of its sector;
letters are fifths of the 497
graded peers

Share price, twelve months to the rescans

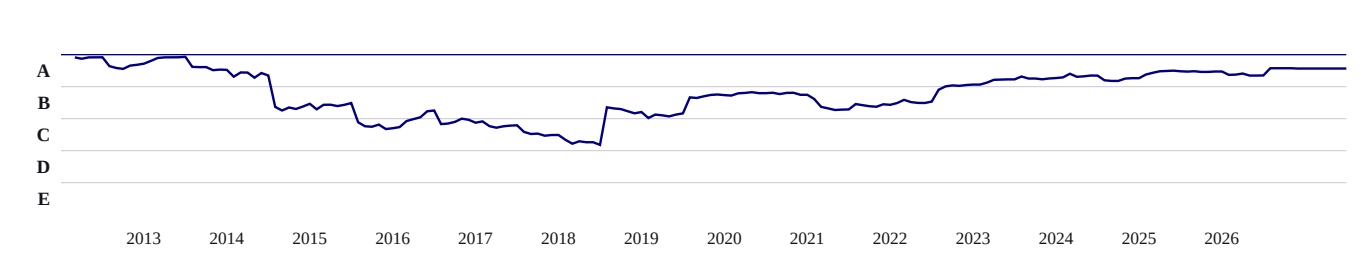
split-adjusted close; the letter is fixed at the rescans that set it



Rescans on file: B/C from Feb 21, 2019, B from Jul 21, 2019, A/B from Aug 21, 2022, A from Mar.

Letter at every rescanscan

Jan 21, 2012 to Oct 9, 2026; sector percentile, stronger toward the top; facts filed by each date only



Business, in the company's words

opening of Item 1 of the 10-K received Jul 29, 2026

Microsoft is a technology company committed to making digital technology and artificial intelligence ("AI") available broadly and doing so responsibly. Our mission is to empower every person and every organization on the planet to achieve more. We develop and support a broad portfolio of technology solutions for individuals and businesses, focusing on secure, trusted, and innovative platforms and applications that meet evolving customer needs across AI, cloud computing, productivity and collaboration, and personal computing. We strive to create opportunity, growth, and impact in every country around the world.

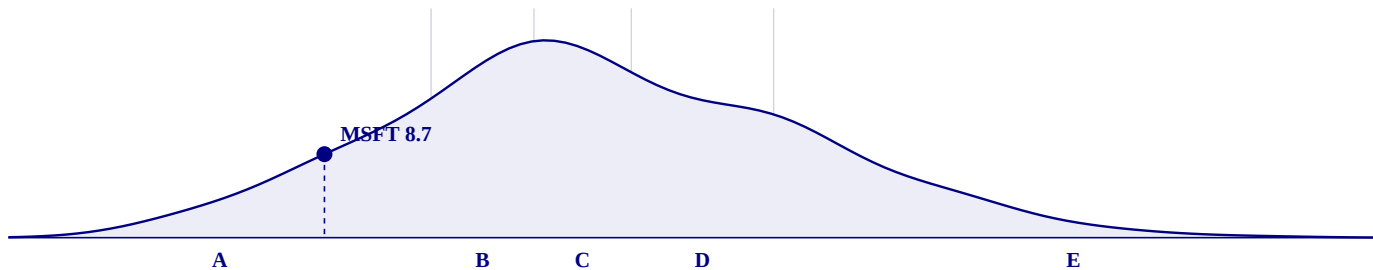
The fourteen inputs

lower percentile is stronger; equal-weighted sleeves

Input	Percentile, 0 to 100	Value	Peer median	Percentile	Peers	Period end
Profitability, sleeve percentile 28.5						
Gross profitability		29.7%	28.5%	43.1	558	2026-06-30
Return on invested capital		30.6%	10.9%	12.6	136	2026-06-30
Accruals ratio		(7.1%)	(7.4%)	53.5	621	2026-06-30
Gross margin stability, five years		0.6 pts	2.4 pts	4.7	429	2026-06-30
Solvency, sleeve percentile 30.5						
Twelve-month failure probability		0.02%	0.05%	6.0	101	2026-06-30
Altman Z double-prime		4.59	2.18	26.4	566	2026-06-30
Net debt to EBITDA		0.10x	1.11x	18.5	147	2026-06-30
Interest coverage		not computable	3.77x			latest aligned inputs end 2024-06-30; latest annual assets end 2026-06-30
Current ratio		1.23x	2.02x	71.3	666	2026-06-30
Growth and financing, sleeve percentile 36.3						
Revenue growth, three-year compound		16.1%	6.4%	23.5	538	2026-06-30
Free cash flow growth, three-year compound		4.0%	17.2%	71.5	268	2026-06-30
Reinvestment rate		56.4%	14.3%	33.3	226	2026-06-30
Asset growth, three years		22.6%	5.0%	14.8	563	2026-06-30
Net share issuance, one year		(0.1%)	0.5%	38.2	407	2026-07-23

Among 497 peers

business equipment; letters are fifths of this list



Composite score of every graded peer, smoothed; vertical rules are the letter band edges; stronger to the left.

Rank	Company	Percentile	Letter	Warnings
39	Garmin Ltd. (GRMN)	7.7	A	
40	Commvault Systems Inc. (CVLT)	7.9	A	
41	Netsol Technologies Inc. (NTWK)	8.1	A	fortress balance sheet
42	CrowdStrike Holdings, Inc. (CRWD)	8.3	A	
43	Autodesk, Inc. (ADSK)	8.5	A	
44	Microsoft Corp. (MSFT) <	8.7	A	
45	MongoDB, Inc. (MDB)	8.9	A	
46	Badger Meter Inc. (BMI)	9.1	A	
47	Workiva Inc. (WK)	9.3	A	fortress balance sheet
48	Alphabet Inc. (GOOG)	9.8	A	
49	Alphabet Inc. (GOOGL)	9.8	A	

What the price implies

at the 2026-10-08 close; none enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	(1.3%)	2.2%	48
Distance from 52-week high	(3.6%)	(30.0%)	91
EBIT to enterprise value	4.0%	1.5%	74
Free cash flow yield	1.7%	2.7%	39
Book value to price	0.11	0.23	26
Sales to price	0.09	0.30	18
Composite equity issuance, five years	(5.5%)	3.9%	34
Relative strength against the sector, log excess return	(0.30)	(0.26)	48

Diagnostics

not in the grade

Measure	Value
Piotroski F-score 6 of 9, period end 2026-06-30	
Return on assets above zero	pass
Operating cash flow above zero	pass
Return on assets improved	pass
Operating cash flow exceeds net income	pass
Long-term leverage fell	pass
Current ratio improved	fail
No new shares issued	pass
Gross margin improved	fail
Asset turnover improved	fail
Cash, filings, liquidity	
Cash and equivalents	\$20.9B
Operating cash flow, four quarters	\$182.9B
Months of runway	not finite
Days since last periodic filing	72 (10-K received Jul 29, 2026)
Median daily dollar volume, 63 sessions	\$11.2B

Sources

each row links to the filing index on sec.gov

#	Concept	XBRL tag	Value	Period end	Received	Form	Accession
1	gross profit	us-gaap:GrossProfit	\$225.5B	2026-06-30	2026-07-29	10-K	0001193125-26-323660
2	assets	us-gaap:Assets	\$758.4B	2026-06-30	2026-07-29	10-K	0001193125-26-323660
3	operating income	us-gaap:OperatingIncomeLoss	\$155.2B	2026-06-30	2026-07-29	10-K	0001193125-26-323660
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraord	\$165.9B	2026-06-30	2026-07-29	10-K	0001193125-26-323660
5	income tax	us-gaap:IncomeTaxExpenseBenefit	\$32.2B	2026-06-30	2026-07-29	10-K	0001193125-26-323660
6	total debt	us-gaap:LongTermDebt	\$40.3B	2026-06-30	2026-07-29	10-K	0001193125-26-323660
7	book equity	us-gaap:StockholdersEquity	\$442.4B	2026-06-30	2026-07-29	10-K	0001193125-26-323660
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$20.9B	2026-06-30	2026-07-29	10-K	0001193125-26-323660
9	total debt	us-gaap:LongTermDebt	\$43.2B	2025-06-30	2026-07-29	10-K	0001193125-26-323660
10	book equity	us-gaap:StockholdersEquity	\$343.5B	2025-06-30	2026-07-29	10-K	0001193125-26-323660
11	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$30.2B	2025-06-30	2026-07-29	10-K	0001193125-26-323660
12	net income	us-gaap:NetIncomeLoss	\$133.7B	2026-06-30	2026-07-29	10-K	0001193125-26-323660
13	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$182.9B	2026-06-30	2026-07-29	10-K	0001193125-26-323660
14	assets	us-gaap:Assets	\$619.0B	2025-06-30	2026-07-29	10-K	0001193125-26-323660
15	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$331.8B	2026-06-30	2026-07-29	10-K	0001193125-26-323660
16	gross profit	us-gaap:GrossProfit	\$193.9B	2025-06-30	2026-07-29	10-K	0001193125-26-323660
17	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$281.7B	2025-06-30	2026-07-29	10-K	0001193125-26-323660
18	gross profit	us-gaap:GrossProfit	\$171.0B	2024-06-30	2026-07-29	10-K	0001193125-26-323660
19	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$245.1B	2024-06-30	2026-07-29	10-K	0001193125-26-323660
20	gross profit	us-gaap:GrossProfit	\$146.1B	2023-06-30	2025-07-30	10-K	0000950170-25-100235
21	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$211.9B	2023-06-30	2025-07-30	10-K	0000950170-25-100235
22	gross profit	us-gaap:GrossProfit	\$135.6B	2022-06-30	2024-07-30	10-K	0000950170-24-087843
23	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$198.3B	2022-06-30	2024-07-30	10-K	0000950170-24-087843

24	current assets	us-gaap:AssetsCurrent	\$207.7B	2026-06-30	2026-07-29	10-K	0001193125-26-323660
25	current liabilities	us-gaap:LiabilitiesCurrent	\$168.8B	2026-06-30	2026-07-29	10-K	0001193125-26-323660
26	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	\$328.3B	2026-06-30	2026-07-29	10-K	0001193125-26-323660
27	liabilities	us-gaap:Liabilities	\$316.0B	2026-06-30	2026-07-29	10-K	0001193125-26-323660
28	depreciation amortization	us-gaap:Depreciation	\$34.3B	2026-06-30	2026-07-29	10-K	0001193125-26-323660
29	operating income	us-gaap:OperatingIncomeLoss	\$109.4B	2024-06-30	2026-07-29	10-K	0001193125-26-323660
30	interest expense	us-gaap:InterestExpense	\$2.9B	2024-06-30	2024-07-30	10-K	0000950170-24-087843
31	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$115.9B	2026-06-30	2026-07-29	10-K	0001193125-26-323660
32	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$136.2B	2025-06-30	2026-07-29	10-K	0001193125-26-323660
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$64.6B	2025-06-30	2026-07-29	10-K	0001193125-26-323660
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$118.5B	2024-06-30	2026-07-29	10-K	0001193125-26-323660
35	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$44.5B	2024-06-30	2026-07-29	10-K	0001193125-26-323660
36	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$87.6B	2023-06-30	2025-07-30	10-K	0000950170-25-100235
37	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$28.1B	2023-06-30	2025-07-30	10-K	0000950170-25-100235
38	current assets	us-gaap:AssetsCurrent	\$191.1B	2025-06-30	2026-07-29	10-K	0001193125-26-323660
39	current liabilities	us-gaap:LiabilitiesCurrent	\$141.2B	2025-06-30	2026-07-29	10-K	0001193125-26-323660
40	assets	us-gaap:Assets	\$512.2B	2024-06-30	2025-07-30	10-K	0000950170-25-100235
41	assets	us-gaap:Assets	\$412.0B	2023-06-30	2024-07-30	10-K	0000950170-24-087843
42	shares outstanding	dei:EntityCommonStockSharesOutstanding	7,425,545,491	2026-07-23	2026-07-29	10-K	0001193125-26-323660
43	shares outstanding	dei:EntityCommonStockSharesOutstanding	7,433,166,379	2025-07-24	2025-07-30	10-K	0000950170-25-100235